

CONTRACTORS' REVIEW



APRIL 1999

NO. 26

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Roofing Classification Interpretation

There has been some confusion as to the definition of rolled roofing, which is found in the roofing classification of the general contractor definitions. Rolled roofing, found in the general roofing classification, (K1), pertains to granular coated shingles. General contractors with a building classification can only engage in roof work listed within the (K1) roofing definition. The types of roof coverings in (K1) are usually used for steep slope roofing.

Specialty roofing (K2), which requires a technical roofing examination, is usually used for low slope applications. Rolled rubber-roofing falls within the (K2) definition.

A properly licensed general contractor with a roofing classification may engage in (K1) and (K2) work.

General and Mechanical Contractor License Renewal Under Way

License renewal notices have been sent to all general and mechanical contractors. If you have not received a notice, you may obtain the form by calling our Fax-on-Demand line, 803-737-8423, and requesting Document No. 175. You may also visit our website, www.llr.state.sc.us/contractr/clb.htm. These services should be in operation by the time you receive this newsletter. If not, you may call the office at 803-896-4686 or fax your request to 803-896-6038.

Because many contractors are having trouble obtaining a financial statement, the board has extended the license renewal period until September 1, 1999. This means that a license that should have expired on December 31, 1998, will remain in effect until August 31, 1999. Building officials have been notified to accept the license until that date. All contractors, however, are urged to complete and mail their renewal forms as soon as possible in order to avoid delays caused by a backlog at the deadline.

After your financial statement is prepared, be sure you enclose it and a check your renewal form. The date on the financial statement should not be more than twelve months prior to the date this office receives it. Applications will be returned if all items are not enclosed.

After September 1, 1999, late renewal penalties will be applied in accordance with Section 40-11-50(B)(4). A contractor not renewing a license before April 1, 1999, shall retain the old license group limitation until the license is renewed. At the time of renewal, the license will be modified to meet the new group limitations outlined in Section 40-11-260. You can find these sections in the law booklet recently sent to you. If you need a copy, call the Fax-on-Demand number listed above.

SEE RENEWAL PAGE 4

Problems with Factory-Built Fireplaces

Over the past several years, the board's investigators have found serious code violations with the installation of factory-built fireplaces in 80 percent of the inspections made on residential construction. Chapter 10 of the C.A.B.O. One and Two Family Dwelling Code addresses the installation of these fireplaces. Section 1004 lists six provisions for compliance when installing a factory-built unit. Provision number 5 states that the unit shall be installed to manufacturer's installation instructions. During field inspections, we have found the following problems: missing fire blocking at floor and/or ceiling penetrations, non-compliance with clearance to combustibles, chase walls not insulated in accordance with the South Carolina

Building Energy Efficiency Standards Act, chase roof cap not installed or improperly installed, and the exterior air supply that is required in section 1006 not provided.

These are serious violations. The missing fire stopping is the most dangerous. If a fire can be contained prior to erupting into the attic, the loss of property and life will be reduced significantly. All contractors are urged to review the code and their installation procedures in order to prevent a disaster. The board especially encourages project managers and supervisors to inspect each installation after completion to ensure that the fireplace has been installed correctly.

This Newsletter Is for You

The Contractors' Review Newsletter is published by the S.C. Department of Labor, Licensing and Regulation three times a year. The newsletter contains the latest information concerning the laws, regulations and administrative procedures of the S.C. Contractors' Licensing Board. It is our goal to keep contractors, building officials, and all other interested parties apprised of any item of concern which could affect the professions regulated by this board. Those professions are general, mechanical, burglar/fire alarm, and fire sprinkler contractors.

When your office receives the newsletter, the board encourages you to make copies and distribute them to your employees. They have a need to know information that is published in this newsletter. Everyone cannot comply with the statutes and regulations if the information is not given to all of your employees. PASS IT ON.

In addition, please read the newsletter before you call the office to ask specific questions. The articles in the newsletter or the new Code of Laws that we sent to you will probably answer most of your questions. After reading this information, if you still have a concern, we will be glad to answer your questions.

Please feel free to write or send a fax to Ron Galloway with requests for future articles if there are issues that you would like to see addressed in your newsletter.

Planning a Move or Relocation

If you are licensed with this board, you must keep us informed of your new address or business name, telephone number, and any changes in your style of business (changing from a proprietorship to a corporation, etc.). The board requires licensees to notify this office of any changes to their initial license application information, such as the qualifier leaving the employment of the business, and changes in corporate officers. Any changes the office is not aware of will delay the processing of your license renewal, and you may not receive information that you need to know. Please remember that all licensees licensed under this board must only contract and engage in contracting work in the name that appears on the license card or license certificate. Any deviation is not acceptable and could result in a fine and/or termination of the bid or contract. Mail or send by fax any changes to the S.C. Contractors' Licensing Board (include your license number and current telephone number) at: P.O. Box 11329 Columbia, S.C. 29211. Fax: (803) 896-6038.

Bleacher Seating License Requirements

The S.C. Contractors' Licensing Board has determined a general contractor's license is required to install temporary or permanent metal bleacher seating. This type work falls within the steel or building license classification.

A general contractor's license is required for any project, of this type, when the total cost of the undertaking is \$5000, including all labor, profit, and materials. Any work involving the installation, alteration, or repair of steel or aluminum by welding, bolting, or riveting falls under the steel or building license classifications. If temporary bleacher seating is made out of wood, instead of metal, a general contractor's license with a building classification is required.

Unlawful Use of Name

Under Section 40-11-370 of the new Act, it is unlawful to use the term "licensed contractor" or to perform or offer to perform general or mechanical construction without first obtaining a license as required by Chapter 11. It is also unlawful to engage in construction under a name other than the name that appears on the license issued pursuant to Chapter 11.

The new section states that an entity that does not have a valid license as required by Chapter 11 may not bring an action either at law or in equity to enforce the provisions of a contract.

The Contractors' Review is a publication of the Contractors' Licensing Board and the South Carolina Department of Labor, Licensing and Regulation. It is distributed three times annually to licensees, building officials, architects, awarding authorities and various federal, state and local government officials. Suggestions for articles of interest for publication in this newsletter are welcome. Send written notification to Ron Galloway or call him at (803) 896-4686.

S.C. DEPARTMENT OF LABOR, LICENSING AND REGULATION

CONTRACTORS' LICENSING BOARD

RONALD E. GALLOWAY
ADMINISTRATOR

110 Centerview Drive
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BOARD MEMBERS

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General Information (803) 896-4686

LICENSING

Manager (803) 896-4634

General (803) 896-4608

Mechanical (803) 896-4627

Alarm and Sprinkler (803) 896-4624

Renewals (803) 896-4644

The Board hours are
8:30 a.m. to 5 p.m.
Monday through Friday.

Disciplinary Actions by the Board

Hearings

Boyce & Boyce Inc., Respondent **License Number G-98304 • Quinby, S.C.**

Respondent entered into a contract to build a house in Horry County. The respondent was not properly licensed and used the number of another general contractor to obtain a building permit to build the residence. The other contractor did not give Boyce & Boyce permission to use the license. Inspection results indicated some work did not meet the building code. Mr. Boyce obtained a general contractor's license after the work for this project was in progress. The board found that Boyce & Boyce committed misconduct in violation of S.C. Code Ann. Section 40-11-240. Therefore it was ordered that the Respondent's license be revoked for one year.

Trager General Contractors, Inc., Respondent **License Number G-16351 • Charleston, S.C.**

Respondent built a residence in Mt. Pleasant, S.C. Numerous liens were placed on the structure for non-payment of supplies and materials. Buck Lumber and Building Supply, Inc. filed a complaint for non-payment of supplies. John Hines signed a contract for the house, and numerous code violations were found. The Respondent did not respond to the complaints. The board found that Trager General Contractors, Inc. committed misconduct in violation of S.C. Code Ann. Section 40-11-240. Therefore it was ordered that the Respondent's license be permanently revoked.

J. R. Home Improvements, Respondent **License Number G-95023 • Gastonia, N.C.**

Respondent entered into a contract to build a residence in Fort Mill, S.C. As a result of a complaint filed by the owner, several code violations were noted and review of the plans indicated the contractor did not follow the plan specifications. The board found that J. R. Home Improvements committed misconduct in violation of the S.C. Code Ann. Section 40-11-240. Therefore it was ordered that the Respondent's license be suspended for a period of 90 days and that respondent pay a \$500 fine.

T. A. Constructors, Inc., Respondent **License Number G-12725 • Greenville, S.C.**

Respondent failed to obey a board order to repair problems for a residence he constructed in Greer, S.C. The board found that T. A. Constructors, Inc. committed misconduct in violation of S.C. Code Ann. Section 40-11-240. Therefore it was ordered that the Respondent's license be suspended beginning March 15, 1999 until Dec. 31, 1999.

Southern Management Group **License Number G-15054 • Columbia, S.C.**

The board found that Southern Management Group Inc. committed misconduct by aiding and abetting an unlicensed contractor. Therefore it was ordered that the Respondent's license be suspended for one year and that respondent pay a \$500 fine (order on appeal).

Lead-based Paint Notice

A June 1, 1998, ruling by EPA requires all contractors to inform owners about lead-based paint. All contractors must hand out the hazard pamphlet when replacing windows, removing or modifying painted surfaces or components, removing walls, ceilings and major plumbing work takes place unless the activity is part of an abatement project, in which case more stringent rules apply. They also have to obtain written acknowledgement that the pamphlet has been received.

However, minor repairs disrupting two square feet or less of a painted surface, emergency renovations and remodeling done in tract housing (with written determination by a licensed lead inspector that affected components are free of lead) are exempted from the ruling. The structures in question for lead-based paint were built prior to 1978.

Contractors have a three-year record-keeping rule. Penalties up to \$25,000 a day per violation and criminal penalties up to \$25,000 per day per violation can be levied in addition to imprisonment for up to one year for each violation. The EPA is developing an "Enforcement Response Policy." All this follows in the footsteps of the Title X lead law and TSCA (Toxic Substances Control Act).

For more information, use the web site www.epa.gov and search for lead. To obtain a pamphlet, call 1-800-424-5323. The office will send a pamphlet upon request, and you can make copies and give to the property owners.

Board Meeting Dates

The following board meeting dates have been established for 1999. Meetings will be begin at 10 a.m. and will be held at the S.C. Department of Labor, Licensing and Regulation, 110 Centerview Drive, Columbia, S.C., room 108. These meetings are open to the public.

- April 22
- July 22
- October 21

Construction Managers Defined

Due to the passing of the new contracting laws for general and mechanical contractors, the definition and requirements for construction managers have been established. Please refer to Sections 40-11-20(5) and 40-11-320 in the new code.

In order to be a construction manager, you must be licensed as a South Carolina general or mechanical contractor, architect, or engineer. The applicant seeking to be listed as a construction manager must designate one of the aforementioned licensees to qualify to practice as a construction manager. An architect or engineer licensed in South Carolina who is monitoring the execution of design plans or who is acting as an on-site representative for construction quality assurance, or both, is not considered a construction manager as defined in Chapter 11. Architects and engineers cannot assume the role of a general or mechanical contractor as defined in the Code unless properly licensed pursuant to the Code. Construction managers may hire or terminate the various design professionals and prime contractors in the name of the owner, but they cannot perform design work themselves unless properly licensed as an architect or engineer. Any currently licensed entity that has a general, mechanical, architect, or engineer's license must submit a financial statement to meet the financial requirements as set forth in the S.C. Code of Laws, Section 40-11-260, that would apply to a sole prime contractor working on a construction project.

Financial Statement requirements: The applicant may complete and sign his/her own financial statement for groups number 1 and 2. The statement must be notarized. The applicant must have a licensed Accounting Practitioner, Public Accountant or Certified Public Accountant (CPA) complete at least a compiled financial report for groups number 3 and 4. For group number 5, a Public Accountant or CPA must submit an audited financial report. The financial statements in all cases must include a balance sheet. The balance sheet should indicate the net worth of the applicant. Financial statements for groups number 3, 4, and 5 must be accompanied by an accountant's report signed by the licensed accountant. This office must receive the financial statement within 12 months after the date of the financial statement. The board may accept a financial statement based on "Other Comprehensive Basis of Accounting" (OCBOA) or on an accepted international accounting standard if the licensed accountant provides a statement indicating that, if the financial statement had been prepared according to "General Accepted Accounting Principles" (GAAP), the financial requirements would be met. The net worth requirements are the same requirements that pertain to general and mechanical contractor and can be found in Section 40-11-260 of the Code.

If you want to be listed as a construction manager, you may call this office and ask for the construction manager application.

The net worth requirement is the same as that for general and mechanical contractors in conjunction with the classification of work for which they are licensed. The requirements are as follows:

General Contractor

Group # 1	\$30,000 limit per contract	— Net worth requirement \$6,000
Group # 2	\$100,000 limit per contract	— Net worth requirement \$20,000
Group # 3	\$350,000 limit per contract	— Net worth requirement \$70,000
Group # 4	\$750,000 limit per contract	— Net worth requirement \$150,000
Group # 5	\$ Amount unlimited per contract	— Net worth requirement \$250,000

RENEWAL

CONTINUED FROM PAGE 1

Licensees do not need a revision form to move to the new license group from their old group. We will automatically place them in the new group. However, if you want to make any changes to your license, write the request on the application or write a note and attach it to the application.

There was some speculation that the implementation of the new licensing law would be delayed, but that did not happen. Renewing, as discussed above, is the only thing that was delayed. New licensees will pay \$350 for a general or mechanical license. If both licenses are desired, the fee is \$700. Each qualifying party listed on the application must pay \$10 for a new qualifying certificate. Requirements for the qualifying party can be found in Section 40-11-230 and 40-11-400.

Remember, if you do not receive a new license or renew your old license prior to April 1, 1999, your 1998 license is still valid until August 31, 1999. The board is presently installing new software, and new licenses for this renewal period should be mailed beginning the week of March 29. As already stated, your 1998 license is still valid until it is entered as "renewed" in the system, and then you will receive your new license. As of April 1, 1999, the new contracting statutes will be in effect for all licensees. The only exception will be contractors who have not submitted their renewal forms. They will be limited to their old group limitations.

We are overloaded with telephone calls but are implementing a new telephone system to better handle your calls. Please be patient when trying to reach our office.

Use Fax-on-Demand for Forms, Data

The Office of Real Estate and Building Code Professions (OREBCP) is in the process of expanding the Fax-on-Demand system to include forms and information of the Contractors Licensing Board. It is anticipated that applications, revision forms, etc., will be available at the touch of a button, faxed directly to your office. You won't have to call us and then wait for the mail. When the system is up and running, we will publish the directory of documents that you can receive in this manner. Watch the Contractors' Review for further details.

DISCIPLINARY ACTIONS

CONTINUED FROM PAGE 3

Consent Orders

The following individuals and entities were contracting without a proper contractor's license in the following locations and agreed to pay a fine.

- **John D. Doerr and Doerr Construction,**
Myrtle Beach S.C., paid \$2,000
- **Gary Vensky and Vensky Asphalt Paving,**
Greenville County, paid \$3,200
- **Square D Company,**
Myrtle Beach, S.C., paid \$500
- **CSI Security, Inc.,**
Walterboro, S.C., paid \$500
- **Sound Communications,**
Charleston, S.C., paid \$500
- **Gregg Myers and Gregg Myers Marine,**
North Myrtle Beach, S.C., paid \$250
- **Douglas E. Greer, Jr. and American Fire Protection,**
Piedmont, S.C., paid \$500
- **Shelli Pancheri and Shilo Automatic Sprinklers,**
Greenville, S.C., paid \$250
- **Phillip Loeffler and Phillips Contracting, Inc.,**
Easley, S.C., paid \$500
- **A-C Heating & Air Conditioning Co.,**
Sea Brook Island, S.C., paid \$500

LLR Speaker's Bureau

Want to know more about the S.C. Department of Labor, Licensing and Regulation, or about specific programs it administers?

Speakers are available through the agency's Speaker's Bureau to talk to groups and organizations throughout the state. Many people do not realize that in addition to the State OSHA program, LLR provides administrative support to the State Fire Marshal's Office, the S.C. Fire Academy and to several professional and occupational boards.

For more information, call Barbara Foster, Office of Public Information at 896-4380.

Have You Moved?

It is the responsibility of the licensees to keep the board office aware of current address and telephone information. When these changes occur, please notify this office immediately.

Please send in a card with the following information:

Date

Name of Licensee

Old Address

New Address

Old Phone Number

New Phone Number

Signature



CONSTRUCTION MANAGERS

CONTINUED FROM PAGE 4

MECHANICAL CONTRACTOR

Group # 1	\$17,500 limit per contract	— Net worth requirement	\$3,500
Group # 2	\$30,000 limit per contract	— Net worth requirement	\$6,000
Group # 3	\$50,000 limit per contract	— Net worth requirement	\$10,000
Group # 4	\$125,000 limit per contract	— Net worth requirement	\$25,000
Group # 5	\$ Amount unlimited per contract	— Net worth requirement	\$100,000

Licensure by "Grandfathering" Part of New Law

An entity which as of April 1, 1999, has been and is currently engaging in general construction for any job with a cost greater than \$5,000 but not exceeding \$30,000, or mechanical construction for any job greater than \$5,000 but not exceeding \$17,500 is now required to hold a state license. Such entities were not required to be licensed prior to the new law, which became effective on April 1, 1999. A license must be applied for by September 1, 1999, and those who qualify and meet all requirements will be issued a license and "grandfathered" into the Group One classification. No exam is required. Proof of a net worth of \$6,000 for General Contractors or \$3,500 for Mechanical Contractors is required.

In order to qualify under this provision, the owner of a business must submit to this office a general or mechanical contractor's application. The application must include appropriate fees, financial statements and documentation of proof that the entity is engaging in such business as of April 1, 1999, and has been doing so for the previous two years. Documentation shall include a business license, construction contracts, building permits, work orders, or other documentation which supports the fact that the entity is or has been engaging in commercial work, not residential work, in which the total cost of any one job is or was greater than \$5,000 and not exceeding \$30,000 for general construction, or greater than \$5,000 and not exceeding \$17,500 for mechanical construction. If the documentation does not indicate commercial work and does not meet the cost requirements, the application will be returned because no license will be required. Documentation may be by a building official who knows your work and who may submit a notarized statement attesting that your work is commercial and that it meets the stated cost requirements. Stockholders or employees are not eligible for licensure. The only individual who can qualify for a license is a full-

time owner, or a partner if it's a partnership.

The "grandfather" status cannot be transferred to another entity. If the original owner who receives the "grandfather" license is no longer a full-time employee and/or leaves the business, the entity can no longer retain the "grandfather" status and another party must qualify under the law.

Upon approval of the "grandfathered" request, the entity will be issued a Group One general contractor license classification for work greater than \$5,000 and not to exceed \$30,000, or a Group One mechanical contractor license classification for work greater than \$5,000 and not to exceed \$17,500. If the entity desires to increase their group limitation, the business must meet all requirements for the higher group limitation. Any commercial work with a cost less than \$5,000, including all labor, profit and material, does not require a state license. Contractors performing work that is less than \$5,000 may have to meet additional local jurisdiction requirements. You should check with your local building official to determine any requirements that may be different than state requirements.

The new statute changes for commercial work do not effect residential work or Chapter 59, the statutes regulated by the S.C. Residential Builders Commission.

The type of work regulated by this office can be found in the South Carolina Code of Laws, Section 40-11-410. You can visit our web site to view the law. The web site address is <http://www.lpittr.state.sc.us/bil97-98/401.htm>. To obtain an application, you can call our Fax-on-Demand line at (803) 737-8423 and ask for document number 165. Or call our testing service at 1-800-280-3926 and ask for a South Carolina Contractors' grandfather application.

Operation Support Services Section of the Office of Real Estate and Building Codes Professions (OREBCP)



Leigh Padgett
Manager, Operation
Support Services



Tobi Bellamy
Receptionist
(803) 896-4400



Carol Cragin
Administrative Support
(803) 896-4443



Rene Walker
Imaging and Certification
(803) 896-4644



Sheila Frasier
Information Resource
Coordinator
(803) 896-4451

The Operation Support Services Section of the Office of Real Estate and Building Codes Professions is a unique group of individuals who not only handle job duties for the SC Real Estate Commission but for all boards under the OREBCP umbrella. Included are Barrier Free Design, Building Codes Council, Contractors' Licensing Board, Manufactured Housing Board, Appraisers Board and the Real Estate Commission.

Leigh Padgett serves as the manager of the OSS section. Included in her duties are maintenance of the Fax-on-Demand system, telecommunications, special projects and customer service coordinator.

Tobi Bellamy is the receptionist for the Real Estate Commission and the S.C. Appraisers Board. She also is responsible for receipting funds that come into the office. Tobi completes special projects sent her way when another board is in need of help.

Carol Cragin provides administrative assistance for all boards

regarding procurement, returned checks, deposits and in-house employee needs such as travel, timesheets, etc. If you have questions about any funds paid to the OREBCP and/or returned checks, Carol will assist you in this area.

Rene Walker is responsible for the filing system for OREBCP. Presently, our office is in the process of imaging all files for each board. She maintains the daily updates for the Real Estate Commission and the Real Estate Appraisers Board. Rene performs certification of licensure for the Commission as well. If you have a question in regard to your history and/or needs in this area, Rene will assist you.

Sheila Frasier is the information resource coordinator for the OREBCP. She ensures that all computer network operations are maintained on a daily basis. She also serves as the administrative support for the Time Share Program.

South Carolina Contractors Licensing Board

Fax-on-Demand

To request information and applications 24 hours a day, please call 803-SERVICE (737-8423) and enter the corresponding document number as directed by the voice prompts. You may select up to three documents per call and the network will FAX your request(s) to you.

South Carolina Alarm Business

Employee Registration and Extra Qualifying Agent(s) Renewal Application

Document # 105 7 pages

Consumers Complaint Form

Complaint Procedures and Form

Document # 110 4 pages

Construction Manager Application Letter

Document # 120 4 pages

South Carolina Alarm Business License

Application Package Information and Instructions

Document # 130 7 pages

South Carolina Alarm Business License

Revision Form and Instructions

Document # 135 7 pages

South Carolina Alarm Business License

Renewal Application and Instructions

Document # 140 4 pages

SC Fire Protection Sprinkler Contractor

License Application Package Information and Instructions

Document # 145 5 pages

Fire Protection Sprinkler Contractor

Renewal Application and Instructions

Document # 150 4 pages

SC Fire Sprinkler Protection Contractor

License Revision Application and Instructions

Document # 155 5 pages

Memo to Licensees/Builders explaining changes to the renewal period.

Document # 160 1 page

General or Mechanical Contractor License Application and Instructions

Document # 165 9 pages

Public Entity Qualifying Party Application

Document # 170 2 pages

General or Mechanical Contractor License Renewal Application and Instructions

Document # 175 4 pages

General or Mechanical Contractor Revision Application and Instructions

Document #180 7 page

Contractor's Licensing Employee Director to include mailing address, telephone numbers and board members

Document # 185 1 pages

The following items (not available by FAX) will be mailed to you by leaving your name, address, and mail item number (MI #) in the voice mailbox (PLEASE SPEAK SLOWLY AND CLEARLY):

SC Bulletin of Information and Exam Registration Package MI #190

General and Mechanical Code Code of Laws MI #195

General and Mechanical Roster (Only Available through the Internet) MI #200

Burglar/Fire Alarm Code of Laws MI #205

Burglar/Fire Alarm Contractor Roster MI #210

Fire Sprinkler Protection System Code of Laws MI #215

Fire Sprinkler Protection System Contractors Roster MI #220

General & Mechanical Code of Laws Exam MI #225

**S.C. Department of Labor,
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Contractors' Licensing Board**
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